

US sanctions on Iran may hit India's Chabahar plans

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FRESH THREAT OF 25% tariffs by US President Donald Trump on any country doing business with Iran has put in doubt the future engagement of India in developing and operating Chabahar port terminals in Iran where it has already committed substantial resources and time.

Currently, India is working to develop the port in the Gulf of Oman, off southeastern Iran, and run it under the six month waiver from the US that expires on April 26 this year. "Till that time trade can pass through the port.

"After that all would depend on how Iran and the US manage their relations," former ambassador to Jordan and Libya, among other countries, Anil Trigunayat said.

The port was outside the purview of sanctions before the US revoked them in September as part of its "maximum pressure" policy on Iran, but reinstated this exemption after India's diplomatic engagement.

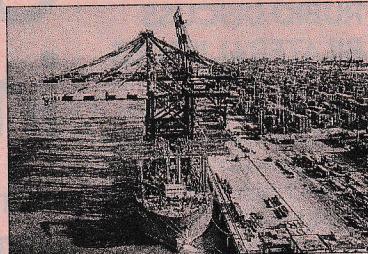
The port is being developed as a vital node of the International North-South Transport

ON THE BACKFOOT

■ India working to develop port, run it under 6 month waiver from US that expires in April

■ It was outside purview of sanctions before US revoked them in Sept

■ It serves as strategic gateway for India to access Afghanistan, Central Asia



■ Total cargo handled at Shahid Beheshti terminal in 2024-25 was 2.23 mn tonne

Corridor (INSTC), a multi-modal route designed to connect India to Russia and Europe via Iran, significantly reducing transit time compared to the Suez Canal.

"The first cargo from Russia through Chabahar is expected to land in India in February," Trigunayat said.

The corridor becomes all the more important because of delays in the take-off of India Middle East Europe Economic corridor (IMEC), he said, adding that even Afghanistan is keen to use it to access humanitarian assistance from India and for trade.

The former ambassador,

however, expressed hope that with the protests in Iran easing and channels of communications opened between Iran and US through the White House envoy Steve Witkoff the tensions between the two may cool off.

In case the port becomes off bounds then exporters and investors in the infrastructure will have to re-calibrate their strategies. Located in the Sistan-Baluchestan province on Iran's energy-rich southern coast, Chabahar serves as a strategic gateway for India to access Afghanistan and Central Asia, effectively bypassing Pakistan.